VDOT Budget Outlook for FY 2010 – 2014 and the Maintenance and Operations Budget Outlook

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Fiscal Years 2009 - 2014

The transportation revenue forecasts for FY 2009-2014 have been reduced by $2.6 billion since June 2008

The budgets and the SYIP for FY 2009 have been revised to adjust for the reduced funding levels

The outlook for fiscal years 2010 through 2014 forecasts essentially no growth

- Average annual state revenue growth of less than 3%
- Forecasted state revenues do not return to level originally forecasted for FY 2009 until FY 2014
- Federal revenue is not expected to have measurable growth

Commonwealth Transportation Fund Revenue Summary FY 2009 - 2014

(amounts in millions)

	FY 2009 Approved June 2008	Revised FY 2009	Estimated FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
State Transportation Revenues							
HMOF	$ 1,486.3	$ 1,298.1	$ 1,327.0	$ 1,349.1	$ 1,366.9	$ 1,402.3	$ 1,427.1
TTF	988.8	888.9	925.0	955.1	982.9	1,019.0	1,054.5
PTF (From TTF)	159.5	152.3	149.9	157.7	165.3	172.9	180.8
Local and Other Revenues	460.4	356.7	457.9	467.6	313.3	290.3	288.8
Total	**3,095.0**	**2,696.0**	**2,859.8**	**2,929.5**	**2,828.4**	**2,884.5**	**2,951.2**
Federal Revenues	**1,149.9**	**1,151.4**	**1,015.8**	**994.7**	**998.3**	**1,002.0**	**1,005.6**
Federal Contingency/Reserve	-	-	*(83.4)*	*(83.7)*	*(83.9)*	*(84.2)*	*(84.5)*
Total Revenues (Net Reserve)	**4,245.0**	**3,847.4**	**3,792.2**	**3,840.5**	**3,742.8**	**3,802.3**	**3,872.3**
Other Financing Sources							
Capital Improvement Bonds	425.0	370.4	229.8	220.6	258.9	201.8	203.3
Total Revenues and Other Financing Sources (Net Reserve)	**$ 4,670.0**	**$ 4,217.8**	**$ 4,022.0**	**$ 4,061.1**	**$ 4,001.7**	**$ 4,004.1**	**$ 4,075.6**
Total Excluding Federal Contingency/Reserve	*$ 4,670.0*	*$ 4,217.8*	*$ 4,105.4*	*$ 4,144.8*	*$ 4,085.7*	*$ 4,088.3*	*$ 4,160.1*

Commonwealth Transportation Fund Allocation Summary Revised FY 2009 – 2014

(amounts in millions)

	FY 2009 Approved June 2008	Revised FY 2009	Estimated FY 2010	Estimated FY 2011	Estimated FY 2012	Estimated FY 2013	Estimated FY 2014
Debt Service	$ 271.4	$ 260.2	$ 266.4	$ 275.1	$ 282.8	$ 298.0	$ 327.7
Other Agencies & Transfers	43.0	39.7	39.8	40.4	40.9	41.6	42.1
Highway Maintenance & Operations	**1,687.8**	**1,525.2**	**1,722.7**	**1,772.1**	**1,818.1**	**1,877.2**	**1,925.1**
Tolls, Admin & Other Programs	465.9	440.7	460.2	474.9	484.3	491.0	498.2
Public Transportation & Rail	838.9	738.9	635.5	641.5	500.2	500.9	489.6
Ports and Aviation	61.8	56.3	57.3	57.8	59.3	61.9	64.2
Earmarks & Special Financing	**317.1**	**257.8**	**320.9**	**336.4**	**376.5**	**302.0**	**297.9**
Highway Systems Construction	**984.1**	**898.9**	**602.4**	**546.5**	**523.6**	**515.9**	**515.3**
Total	$ 4,670.0	$ 4,217.8	$ 4,105.4	$ 4,144.8	$ 4,085.7	$ 4,088.3	$ 4,160.1

Outlook by Program

The construction program will be impacted the greatest:

- Refocused on Safety, Pavements, and Bridges
- Elimination of state formula distributions
- Increased focus on public transportation

The administrative and support programs will reflect:

- Implementation of organizational and staffing changes and
- Changes in the way VDOT uses the private sector

The VDOT maintenance program will change:

- FY 2009 was revised down from $1.349 billion to $1.186 billion
- FY 2010 will be funded at $1.370 billion, the future baseline
- Reduced average annual growth from 4% to 3% for FY 2011 – 2014
- The average annual growth in maintenance payments to cities and counties will also be reduced from 4% to 3%

The funding levels will be revisited during the FY 2010 – 2015 update

VDOT Estimated Program Funding

(amounts in millions)

	FY 2009 Approved June 2008	Revised FY 2009	Estimated FY 2010	Estimated FY 2011	Estimated FY 2012	Estimated FY 2013	Estimated FY 2014
VDOT Programs							
Environmental Monitoring and Evaluation (514)	$ 14.6	$ 10.3	$ 11.0	$ 12.3	$ 12.7	$ 13.0	$ 13.4
Ground Transportation Planning & Research (602)	46.9	45.4	45.2	45.6	46.2	46.9	47.6
Highway System Acquisition and Construction (603)	**1,326.7**	**1,180.0**	**946.9**	**907.7**	**925.8**	**844.5**	**841.0**
Highway System Maintenance (604)	**1,349.0**	**1,186.4**	**1,370.6**	**1,410.5**	**1,447.1**	**1,493.9**	**1,532.3**
Financial Assistance to Localities (607)	353.0	353.0	366.6	375.9	385.3	397.7	407.1
Commonwealth Toll Facilities (606)	123.3	121.7	132.6	138.5	135.8	133.9	132.5
Non-Toll Supported Transportation Debt Service (612)	255.0	243.8	253.1	261.9	275.9	291.1	320.7
Administrative and Support Services (699)	246.6	231.3	235.6	241.7	245.5	252.0	258.6
VDOT Capital Outlay (998)	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Total VDOT Programs	**3,726.1**	**3,382.9**	**3,372.7**	**3,405.0**	**3,485.2**	**3,484.0**	**3,564.2**
Support to Other State Agencies	43.0	39.7	39.8	40.4	40.9	41.6	42.1
Support to DRPT Programs	25.5	25.5	23.0	13.9	12.6	12.7	12.8
TOTAL	**$ 3,794.6**	**$ 3,448.1**	**$ 3,435.5**	**$ 3,459.3**	**$ 3,538.7**	**$ 3,538.2**	**$ 3,619.1**

REDUCTIONS IN 2009

Reductions totaling $347 million were made in FY 2009

- **$147 million in the construction program**
- **$163 million in the maintenance program**
- **$37 million in administrative and other programs**

Many of the reductions were one-time in nature

Examples of types of reductions in the maintenance, administrative and other areas

- **Reduced contract expenditures**
- **Delayed/cancelled facility repairs, furniture, equipment, conferences**
- **Reduced non-safety related maintenance**
- **Cancelled vacancy funding**
- **Implemented critical hiring process**
- **Restricted travel**
- **Cut printing**

Highway Maintenance and Service Funding

(amounts in millions)

	FY 2009 Approved June 2008	Revised FY 2009	Estimated FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Maintenance and Operations							
VDOT Highway System Maintenance							
Interstate	$ 338.1	$ 264.9	$ 318.4	$ 327.8	$ 336.4	$ 347.6	$ 356.1
Primary	375.5	339.5	443.6	456.8	468.7	484.2	496.1
Secondary	393.6	357.2	384.4	395.4	405.4	418.4	428.4
Transportation Operations Services	146.5	132.1	136.2	139.8	143.3	147.5	152.6
Maintenance Program Management	95.3	92.7	88.0	90.6	93.4	96.2	99.0
Total	**1,349.0**	**1,186.4**	**1,370.6**	**1,410.5**	**1,447.1**	**1,493.9**	**1,532.3**
Maintenance Payments to Cities and Towns	**338.8**	**338.8**	**352.1**	**361.6**	**371.0**	**383.3**	**392.8**
Total Maintenance and Operations	**$ 1,687.8**	**$ 1,525.2**	**$ 1,722.7**	**$ 1,772.1**	**$ 1,818.1**	**$ 1,877.2**	**$ 1,925.1**

Revised FY 2009 Highway Maintenance Reductions

VDOT maintenance program FY 2009 allocation was reduced by $162.6 million (from $1,349.0 million to $1,186.4 million)

- **Reductions to asset investment ($81 million)**
  - $19.5 million from pavement
  - $5.3 million from bridges
  - $56.5 million from other assets including from the following projects:
    - $22.7 million for statewide interstate system signs and stripes projects
    - $12.2 million for statewide operational improvements
    - $10.0 million for ferry replacement

- **Reductions to routine maintenance and services ($81 million)**
  - $33.2 million from contingencies and reserve
  - $12.8 million from roadside maintenance (mowing, tree trimming)
  - $4.6 million from equipment purchase

FY 2010 – FY 2014 Outlook for the Maintenance Program

Focus will be investing in pavements and bridges to preserve the infrastructure and meet performance targets

Will be prioritizing services from the centerline of the highway out to the edge of the right of way

Maintenance program budget decisions will be based on maximizing the safety of our customers

Pavement and Bridge Performance

VDOT's pavement and bridge performance targets:

- No more than 18 percent of interstate pavements rated deficient
- No more than 18 percent of primary pavements rated deficient
- No more than 8 percent of bridges and culverts rated as structurally deficient

Current performance:

- 20.5 percent of interstate pavements rated deficient
- 24.4 percent of primary pavements rated deficient
- 8.4 percent of bridges and culverts rated as structurally deficient

Planned investment in pavements and bridges will enable VDOT to meet the performance targets:

- By June 2011 for interstate pavements
- By June 2013 for primary pavements
- By June 2012 for bridges and culverts

Maintenance Program Direction

(amounts in millions)

Program	FY 2009 Approved June 2008	Revised FY 2009	Estimated FY 2010	Estimated FY 2011	Estimated FY 2012	Estimated FY 2013	Estimated FY 2014
Asset Investment							
Pavement	$ 383.1	$ 363.6	$ 469.0	$ 508.9	$ 545.5	$ 592.3	$ 630.7
Bridges	129.7	124.4	129.7	129.7	129.7	129.7	129.7
Other Assets	138.7	82.1	138.7	138.7	138.7	138.7	138.7
Total Asset Investment	**651.5**	**570.1**	**737.4**	**777.3**	**813.9**	**860.7**	**899.1**
Routine Maintenance and Services							
Total Routine Maintenance & Services	**697.5**	**616.3**	**633.2**	**633.2**	**633.2**	**633.2**	**633.2**
Grand Total	**$ 1,349.0**	**$ 1,186.4**	**$ 1,370.6**	**$ 1,410.5**	**$ 1,447.1**	**$ 1,493.9**	**$ 1,532.3**

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